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GOVERNMENT ASSISTANCE TO EXPORT TRADE

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The lofty attitude of the United States government toward the foreign trade of the country is now a matter of history. Irresistibly has the official energy been directed toward the fostering of American business interests abroad. This endeavor will continue to expand and bear fruit, though it can never become as potential a factor as the paternalistic aid given in Japan and Germany by the Imperial governments. We can only try to make up in activity what these competing nations accomplish through associating public and private interests in strengthening their economic position.

Emperor William II recently asked a German industrialist why he had placed a large machinery order in the United States. The answer was because the American quotation was several thousand dollars lower, in reply to which the emperor is reputed to have requested the business man to place his next order in Germany, and send him the bill for the difference in cost. This was a patriotic commercial lesson, and is the sentiment that obtains to-day. The strong German banking houses in China, South America and elsewhere turn all the trade possible to their nationals, and we admire them for it. French and British financial interests do likewise, and, with the strong supporting arm of the government representatives, are invincible against the keenest Yankee trader who tries to compete for profitable orders. Repeated incidents bear out this statement. Extensive port works in Brazil, for illustration, were laid out by an American engineer full of enthusiasm for the superior mechanisms produced in his country, who is obliged to witness the installation of French machinery, which was stipulated by French bankers who advanced a loan for the harbor works. Under such conditions it is not difficult to understand why our exports to Brazil are only one-fifth of our \$80,000,000 imports from that country. New York financiers, however, interested by the American consular advices, are now planning a chain of South American banks.

Against such tripartite combinations of government, banker

and the manufacturing exporter, the American seeking trade abroad has contended single-handed. To a certain extent, however, Uncle Sam is now beginning to lend a hand—how strongly it will be extended depends on the expressed desires of the people and on Congress in supplying the sinews and in wise legislation. The diplomatic and consular service has already been wonderfully advanced in efficiency, and further improvement may be confidently expected.

Ministers interest themselves in commercial matters to an extent that would have shocked the social proprieties of the diplomat a decade or so ago. Hamilton King, who represents us in Siam, has repeatedly exploited American wares, his latest effort being an endeavor to secure for his countrymen the contract for the proposed water works system at Bangkok, which is to cost a million dollars, the award of which will soon be given. To Mr. Leishman, formerly Ambassador at Constantinople, must be ascribed some credit for the fact that over American steel rails the devout Mohammedans now proceed to Medina on their way to Mecca. Minister Sherrill at Buenos Aires is developing a system by which those Americans who have been shut out of the Argentine market, through inability to conform to the credit system, may get cash for their goods. These are only a few instances of the commendable activities of a large number of our diplomatic representatives.

One of the questions of the hour is this government's policy of the maintenance of the "open door" in China; yet of equal or greater importance is the entrance of American interests into Turkey, fostered by this government and heartily welcomed by the new Ottoman regime. Americans are obtaining concessions there, and plan a railroad trunk line through Asia Minor, the establishment of telephone systems, etc., while Turkish officials are now in the United States arranging for a loan among a people who can have no thoughts of territorial aggrandizement, nor of political suasion.

In this new era of government participation in the promotion of commerce one cannot overlook the beneficial effect of this country's administration of the customs revenues of the Dominican Republic, or the prospective stability and growth of trade that must ensue with Central America as a result of the participation by the Department of State in refunding the \$20,000,000 debts of Costa Rica and Honduras.

About five years ago Congress committed to the Bureau of Manufactures in the Department of Commerce and Labor the huge task of promoting foreign trade. Its agencies are through a tariff division, which collates and publishes the customs charges and regulations of all foreign countries; a staff of traveling special agents—technical experts who investigate and report on industries and trade abroad; and the consular division, which molds the reports of consular officers into effective commercial campaign literature. The bureau is ably directed by Major John M. Carson, whose whole-souled enthusiastic management has developed practical results. The bureau has had many letters telling of foreign orders for American merchandise as the outcome of information supplied by it.

The business public is acquainted with the transformation effected by the bureau in the publication and utilization of consular reports. *Daily Consular and Trade Reports* is the only daily commercial and economic journal issued by any government. The number of copies that may be printed is limited by an old stipulation of Congress to 10,000, which was long ago reached, and the mailing list is therefore restricted. The contents of the daily are systematically grouped and classified in *Monthly Consular and Trade Reports*, which is likewise limited to 10,000 copies. A gratifying improvement is manifest in the selection and treatment of live business questions by American consular officers, whose rank for efficiency in this respect is contested by no foreign nation.

It must be admitted that there still are consular officers of the United States who only shine socially, or whose slumbering silence is only broken by a brief annual report; yet it is pleasing to note the influx of strong new blood through the present competitive examination system that is constantly improving the service, and likewise the position of our country in the world. These young men start at the bottom and by meritorious conduct advance slowly, but surely, to the higher posts.

Consuls-General Mason, at Paris, and Thackara, at Berlin, are veterans, the former now completing his twentieth and the latter his thirteenth year of efficient work; while Consul-General Griffiths at London made his merit record at Liverpool. It would indeed be a stupendous task to recount the commercial achievements of the many consuls which aided their promotion. There is the natural inclination of the appointee to some obscure post to feel that noth-

ing can be done in his limited district, where trade may be dull and the people sluggish. But that Yankee spirit which was manifest in two sailors who were shipwrecked on a desert island, and swapped jack-knives every day, enables all consuls who possess it to "make good."

About three years ago Consul Coffin went out to the isolated post at Maskat, the capital of the Arabian sultanate of Oman, a little country stretched along the coast at the entrance to the Persian Gulf. There is little else there save date growing, yet Mr. Coffin succeeded through the co-operation of the Bureau of Manufactures at Washington in having an American water works system placed in the palace of the Sultan, and interested other American firms in providing improved appliances for irrigating the date orchards, and motor equipments for small craft at the port. He also mastered the Arabic tongue, completing the attainments which made logical his appointment to Tripoli-in-Barbary, where an important new consulate was opened last year. His activities continue, and the Moors of Tripoli are now baking bread from American flour, and are apt to learn the convenience and use of many more things American.

In small islands of the sea other consuls have shown similar zeal. Dr. Dreher in the Society Islands, Van Dyne in Jamaica, Grout in Malta, promoted later to Odessa; Blake in the Madeiras, now in Scotland; Maynard in Borneo, now in Vladivostok; Totten in Santo Domingo and Baker in Tasmania are all on record at the Bureau of Manufactures as having continuously made reports of great value to our business interests.

An experiment is about to be undertaken in Mr. Baker's case that gives promise of extensive adaptation in the consular service. A trained Chicago newspaper man, he thoroughly exploited the island of Tasmania in the interests of American trade. At the suggestion of the Department of Commerce and Labor Mr. Baker has now been detailed to investigate and review trade conditions in the entire Commonwealth of Australia, and will be temporarily attached to the consulate-general at Sydney.

Another phase of consular efficiency is the unselfishness shown by the officers when they come home to the United States about every other year on vacation. They pay their own traveling and other expenses while here, and spend much of the time in conference

with American manufacturers, imparting at first hand valuable information for the development of an export trade. Consul-General Arderson is now back from Rio de Janeiro, and is thus employed; Consul-General Smith has just returned to Genoa, leaving a wealth of commercial suggestions concerning Italy and the Belgian Congo, where he was formerly stationed. Consul Connor is about to return to Cochin China, after presenting to a number of manufacturers a plan for sending some sample goods there to pave the way for large sales. Consul-General Lay, of Cape Town, made a special effort while on his vacation in the States a few months ago to meet the manufacturers who were interested in the South African trade, in which we are slipping back, while Germany and England are forging ahead. Consul Dunning, who performed such valiant commercial deeds at Milan, and is now at Havre, and Consul-General Ozmun at Constantinople, also chose to spend their recent vacations by traveling through the business centers of the United States, while a favorite feat of Consul de Soto at Riga is to send Russian business men and manufacturers to this country to inspect our goods and machinery. The Russians always leave good orders.

At the commercial gateways of the leading countries vigilant consular officers are necessary. Thus at Hamburg Consul-General Skinner keeps as watchful an eye as he did at Marseilles and in his mission through Abyssinia. With equal vigilance Consul-General Michael at Calcutta and Consul Wakefield at Rangoon watch the gateways to India and Burma, Consuls-General Harris at Smyrna and Ravndal at Beirut the gateways to Asiatic Turkey, and Consul-General Rodgers at Habana, the metropolis of Cuba. In the new world Consul-General Bartleman at Buenos Aires and Consul Winslow at Valparaiso are effectively caring for our interests in Argentina and Chile, Consul Manning at La Guaira the re-opened door in Venezuela, Consul Canada at Vera Cruz the expanding Mexican markets, and Consul-General Jones at Winnipeg the development of middle Canada. Out on African prairies an introductory steam plowing outfit is one of the many imported American mechanisms to the credit of Consul Hollis, of Lourenco Marquez, while Consul Snodgrass performed such effective service in the Transvaal that he was given the opportunity to conduct a wider trade campaign from the post at Moscow, where he is now consul-general.

Many manufacturers have voiced the opinion that the most prac-
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tical consular effort yet put forth was that inaugurated by Vice-Consul Frankenthal at Berne, and elaborated by Consul Van Dyne at Kingston. They addressed suggestive interrogatory letters to all the leading business firms in their respective districts. The replies reveal the attitude of the merchants toward American goods and furnish the basis for many new purchasing connections in the United States. This information is conveyed in confidential bulletins by the Bureau of Manufactures. Transmission confidentially of trade opening details is a developing feature of this bureau's work. Blue prints and specifications, samples, etc., of foreign desires are forwarded daily to all manufacturing concerns from Maine to California which wish to compete. Reference to most of these matters is made in the foreign trade opportunity column of Daily Consular and Trade Reports, with a keyed number. The immense and growing correspondence required in this clearing-house work is overtaxing the limited office force of the bureau.

A commercial directory of the world for the American export trade is one of the ambitious plans of the bureau. To this end the consuls have been compiling selected lists of importers and merchants. These are being systematically grouped and arranged in the bureau, and embrace every leading city in the world. There will also be included such large purchasing bodies as the Zemstvos of Russia, the agrarian societies of Germany, the co-operative purchasing associations of England, the bazaars of India, etc. The publication of this large work has not yet been arranged for, but in the meantime various manufacturers are copying at their own expense the addresses of foreign houses handling special lines of goods.

The commercial agents who are attached to the bureau work under a special appropriation of Congress. They are selected experts for the investigation of special industries and trades. Captain Carden of this branch is now making a second trip through Europe, studying and reporting on the machine shops, where many American tools are already in use. Special Agents Clark and Butman are in South America, the former studying the cotton goods' and the latter the shoe and leather goods' markets. Special Agent Brodé is touring Europe for the enlargement of the sales of cottonseed products. Special Agents Pepper and Davis, who have recently resigned to become a commercial advisory board to Secretary Knox

and the President, were effective trade campaigners, the former along broad general lines, the latter on the flour trade of Europe, the economic interests of this country making it more desirable to sell abroad our farm products in finished form for consumption. Monographs on these and many other subjects at present engrossing business men are constantly being issued by the bureau. It may be mentioned that the establishment of the new direct steamship line between New York and Constantinople was due largely to the efforts of Special Agents Davis and Brodé.

Space permits only this brief outline of how the government is striving to help the export trade. Many elements and factors are also necessarily passed over, while in justice to the consular officers it must be stated that many are on the honor roll for efficient service who have not been mentioned. There is a general *esprit de corps* and a willingness to serve our commercial interests abroad of which the 80,000,000 people at home may well be proud.

If I were asked how to make more effective the consular service the answer would be:

1. Supply each consulate with a higher priced and more efficient clerk; \$1,000 is altogether inadequate.
2. Give each officer the privilege to make investigation tours through his district, and pay his expenses. This now comes out of his pocket, if there be anything there after meeting current expenses and helping stranded Americans.
3. Provide a fund of about \$5,000 for the entire service to enable consuls to employ experts on technical subjects. American industrial and economic associations frequently request exhaustive details concerning such matters in foreign countries, which the consuls are directed to supply—at their own cost.
4. That more American business men take time to write commendatory letters of consular and special agents' reports that have aided them. It will encourage the officers and benefit the entire service.

The building of battleships and the Panama Canal is also an integral part of foreign trade extension. They are powerful factors, the influence of which will insure the highest consideration for our diplomats, consuls, special agents, commercial travelers and pleasure seekers who go abroad. They are the only basis which will preserve the "open door" in China, and any semblance of Ameri-

can trade in the Pacific. The lack of this pervasive influence was painfully evident to an American business man on a trip to China a few years ago. Through a consul of the United States he sought an audience with a provincial viceroy to no avail, until finally the American official introduced him to the British Consul, who easily gained him the coveted interview. That was a kindly act, indicative of the friendship between the great English-speaking nations, but it also indicated our comparative weakness and the necessity for a naval strength to make effective our inert power.